

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.) CASE NO.
ALLEGED VIOLATION OF COMMISSION) 99-158
REGULATION 807 KAR 5:027, SECTION 3)

RECEIPT OF PAYMENT

This is to acknowledge receipt of one check in the amount of \$500.00, payable to Treasurer, Commonwealth of Kentucky on June 15, 1999 from Delta Natural Gas Company, Inc. This represents full payment of the penalty assessed against them in the above-styled action.

Stephen D. Bell

CASE

NUMBER:

99-158



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391

GLENN R. JENNINGS
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

TELEPHONE
606-744-6171
FAX
606-744-6552

June 15, 1999

William Willis
Office of General Counsel
Public Service Commission
730 Schenkel Lane
P. O. Box 0615
Frankfort, KY 40602

RECEIVED
JUN 16 1999
GENERAL COUNSEL

Dear Bill:

In accordance with the Commission's Order dated June 11, 1999 in Case No. 99-158, enclosed is Delta's payment of \$500.00 in the form of a cashier's check payable to Treasurer, Commonwealth of Kentucky.

Sincerely,

Glenn R. Jennings

Enclosure

INDEX FOR CASE: 99-158 ✓
DELTA NATURAL GAS COMPANY, INC.
Investigation - Service
MOREHEAD SHRINER'S CLUB

In the Matter of Delta Natural Gas Company, Inc.
Alleged Violation of Commission Regulation 807 KAR 5:027,
Section 3.

SEQ NBR	ENTRY DATE	REMARKS
0001	04/27/99	Order sched.hearing on 5/25;resp.to allegations due 5/12;req. for IC due 5/17.
M0001	05/07/99	ROBERT WATT DELTA NATURAL GAS-RESPONSE TO ORDER OF APRIL 27,99 & MOTION FOR INFORMAL CONFER
0002	05/11/99	Order scheduling IC on 5/12/99 at 8:30 in Conference Room 2.
0003	05/13/99	Informal Conference Memorandum
0004	06/11/99	Final Order assessing a civil penalty of \$500.00 for the violation.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-158
DELTA NATURAL GAS COMPANY, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on June 11, 1999.

Parties of Record:

John F. Hall
Vice President-Finance, Sec.,Treas.
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY. 40391

Honorable Robert M. Watt
Counsel for Delta Natural Gas
Stoll, Keenon & Park, LLP
201 East Main Street, Suite 1000
Lexington, KY. 40507


Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)
_____)
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027, SECTION 3)

CASE NO. 99-158

O R D E R

Delta Natural Gas Company, Inc. ("Delta") is a natural gas utility, pursuant to KRS 278.010(3)(b) and, as a natural gas utility, Delta is subject to Commission jurisdiction, pursuant to KRS 278.040 and 278.495.

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. Commission Staff has submitted to the Commission an Incident Investigation Report dated February 10, 1999, which alleges that Delta violated 807 KAR 5:027, Section 3(1)(c), which states:

Telephonic Notice of Certain Incidents. (1) At the earliest practicable moment but no later than two (2) hours following discovery, each utility shall give notice to the commission in accordance with subsection (3) of this section of any incident that: (c) Results in gas ignition.

The following facts are undisputed:

1. On February 6, 1999, an employee of Delta was notified of a natural gas line rupture and ignition.

2. On February 8, 1999, the Commission received notice from Delta that a service line break and natural gas fire had occurred on February 6, 1999.

Delta does not contest its violation of 807 KAR 5:027, Section 3(1)(c), but Delta does contest the assessment of any civil penalty for this violation. Delta has waived a public hearing and has agreed that this case is to be submitted to the Commission for a decision upon the record as to the assessment of a penalty, if any.

Delta's response describes several steps it has taken to mitigate the failure to comply with the regulation as reasons not to assess a penalty. Delta states that it had posted notices and had informed its employees of the required notification procedures and that the violation was due to human error.

Delta maintains that it violated a reporting regulation rather than a safety regulation, stating that when the supervisor learned of the incident, Delta reported it forthwith to the Commission. Delta also pointed out its good safety record.

Delta believes that, for the above reasons and in consideration of the actions it has taken (as outlined in its response), Delta should be exempt from the assessment of a civil penalty.

The Commission finds that Delta's argument that it violated a non-safety regulation is not well taken. This administrative regulation, 807 KAR 5:027, establishes rules which apply to reports of leaks by natural gas utilities. Section 2 of 807 KAR 5:027 establishes the scope of the regulation.

(1) This administrative regulation prescribes requirements for reporting gas leaks that are not intended by the utility and that require immediate or scheduled repair....

The Commission finds that the above regulation is in fact a safety regulation in that reporting gas leaks is a major element of the safety of the public. Failure to comply

with that safety regulation is a violation under the provisions of KRS 278.992(1) for which a civil penalty is required.

IT IS HEREBY ORDERED that:

1. Delta has violated 807 KAR 5:027, Section 3(1)(c).
2. Delta is assessed a civil penalty of Five Hundred Dollars (\$500.00) for the violation. Within 10 days of the date of this Order, Delta shall pay to the Commonwealth of Kentucky the sum of Five Hundred Dollars (\$500.00). This payment shall be in the form of a cashier's or certified check made payable to Treasurer, Commonwealth of Kentucky, and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 11th day of June, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

May 13, 1999

Mr. John F. Hall
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Kentucky 40391

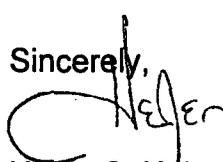
Hon. Robert M. Watt
Stoll, Keenon & Park, LLP
201 East Main Street, Suite 1000
Lexington, Kentucky 40507

Re: Case No. 99-158

Gentlemen:

Attached is a copy of the memorandum which is being filed into the record of the above-referenced case. If you have any comments that you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. Should you have any questions regarding same, please contact J. R. Goff at (502) 564-3940, Extension 261.

Sincerely,


Helen C. Helton
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: File
Case No. 99-158

FROM: J. R. Goff 
Staff Attorney

DATE: May 12, 1999

RE: Delta Natural Gas Company, Inc.
Alleged Violation Of Commission
Regulation 807 KAR 5:027, Section 3

An informal conference was held on May 12, 1999 at the Commission's offices, as requested by Delta Natural Gas Company, Inc. ("Delta"), in its response filed May 7, 1999. Delta choose not to have its attorney present. Those present at the informal conference were:

For Delta: Johnny Caudill and Mike Robinson;
Commission Staff: J. R. Goff, Eddie Smith, William Bowker and Larry Amburgey

The Commission staff outlined the purpose of the meeting and the facts of the alleged violation and noted the response filed by Delta. The representatives of Delta did not contest the violation, but did contest the assessment of any civil penalty for the following reasons:

1. Delta had posted notices and had informed its employees of the required notification procedures and that the violation was due to human error.
2. The violation was not a safety violation, but a violation of a reporting regulation. Delta stated that when the supervisor learned of the incident it was reported forthwith to the Commission.
3. Delta also pointed out that it has a good safety record and that it has consistently cooperated with the Commission Staff.

Delta believes that, for the above reasons and in consideration of the actions it took as outlined in its Response, it should be relieved from the assessment of any civil penalty.

Main Case File No. 99-158

May 12, 1999

Page 2

Commission staff stated that it would recommend a civil penalty of \$500 for the violation as being consistent with prior Commission penalty levies for this type of violation.

Delta and Commission staff agreed that this case is to be submitted to the Commission upon the record for a decision as to the assessment of a penalty, if any, and that Delta waives the public hearing set for May 25, 1999.

cc: Parties of Record



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

May 11, 1999

John F. Hall
Vice President-Finance, Sec.,Treas.
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY. 40391

Honorable Robert M. Watt
Counsel for Delta Natural Gas
Stoll, Keenon & Park, LLP
201 East Main Street, Suite 1000
Lexington, KY. 40507

RE: Case No. 99-158

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)
_____)
ALLEGED VIOLATION OF COMMISSION) CASE NO. 99-158
REGULATION 807 KAR 5:027, SECTION 3)

O R D E R

On April 27, 1999, the Commission issued an Order to Delta Natural Gas Company, Inc., ("Delta") alleging it had violated Administrative Regulation 807 KAR 5:027, Section 3(1)(c), and requiring Delta to show cause why it should not be subject to the penalties prescribed in KRS 278.990 and 278.992(1).

Pursuant to that Order Delta filed its response on May 7, 1999 and requested an informal conference with Commission Staff.

The Commission finds that an informal conference should be held between the Commission Staff and Delta to discuss all issues.

IT IS HEREBY ORDERED that Delta shall appear for an informal conference with Commission Staff on May 12, 1999, at 8:30 a.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 11th day of May, 1999.

By the Commission

ATTEST:


Executive Director

RECEIVED
MAY 07 1999

STOLL, KEENON & PARK, LLP

ROBERT F. HOULIHAN
LESLIE W. MORRIS II
LINDSEY W. INGRAM, JR.
WILLIAM L. MONTAGUE
JOHN STANLEY HOFFMAN**
BENNETT CLARK
WILLIAM T. BISHOP III
JOSEPH M. SCOTT, JR.
RICHARD C. STEPHENSON
CHARLES E. SHIVEL, JR.
ROBERT M. WATT III
J. PETER CASSIDY, JR.
DAVID H. THOMASON**
SAMUEL D. HINKLE IV***
R. DAVID LESTER
ROBERT F. HOULIHAN, JR.
WILLIAM M. LEAR, JR.
GARY W. BARR
DONALD P. WAGNER
FRANK L. WILFORD
HARVIE B. WILKINSON
ROBERT W. KELLERMAN*
LIZBETH ANN TULLY
J. DAVID SMITH, JR.
EILEEN O'BRIEN
DAVID SCHWETSCHENAU
ANITA M. BRITTON
RENA GARDNER WISEMAN
DENISE KIRK ASH
BONNIE HOSKINS
C. JOSEPH BEAVIN
DIANE M. CARLTON
LARRY A. SYKES
P. DOUGLAS BARR
PERRY MACK BENTLEY
MARY BETH GRIFFITH
DAN M. ROSE
GREGORY D. PAVEY
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May 7, 1999

JAMES D. ALLEN
SUSAN BEVERLY JOHNSON
MELISSA A. STEWART
TODD S. PAGE
JOHN B. PARK
PALMER G. VANCE II
RICHARD A. NUNNELLEY
WILLIAM L. MONTAGUE, JR.
KYMBERLY T. WELLONS
CHARLES R. BAESLER, JR.
STEVEN B. LOY
PATRICIA KIRKWOOD BURGESS
RICHARD B. WARNE
JOHN H. HENDERSON**
LINDSEY W. INGRAM III
BRIAN P. BUTLER***
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AMY C. LIEBERMANN
ELIZABETH FRIEND BIRD**
MOLLY J. CUE
CRYSTAL OSBORNE
JOHN A. THOMASON**
DELLA M. JUSTICE
BOYD T. CLOERN***
DONNIE E. MARTIN
DAVID T. ROYSE

(OF COUNSEL)
JAMES BROWN***
DOUGLAS P. ROMAINE
JAMES G. STEPHENSON
GEORGE D. SMITH
WALLACE MUIR (1878 - 1947)
RICHARD C. STOLL (1878 - 1949)
WILLIAM H. TOWNSEND (1890 - 1964)
RODMAN W. KEENON (1882 - 1966)
JAMES PARK (1892 - 1970)
JOHN L. DAVIS (1913 - 1970)
GLADNEY HARVILLE (1921 - 1978)
GAYLE A. MOHNEY (1906 - 1980)
C. WILLIAM SWINFORD (1921 - 1986)

Hon. Helen Helton
Executive Director
Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

Re: Delta Natural Gas Company, Inc.
Case No. 99-158

Dear Ms. Helton:

We enclose for filing an original and ten copies of the Response of Delta Natural Gas Company, Inc. to the Commission's order of April 27, 1999, and Motion for Informal Conference in the above-captioned case. We would appreciate your placing this document with the other papers in this case and bringing it to the attention of the Commission. Thank you in advance for your assistance.

Sincerely,

Robert M. Watt, III

rmw
encl.
cc: Mr. Johnny Caudill (w/encl.)

RECEIVED

MAY 07 1999

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)
_____))
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027, SECTION 3)

CASE NO. 99-158

* * * * *

RESPONSE OF DELTA NATURAL GAS COMPANY, INC.
TO ORDER OF APRIL 27, 1999, AND MOTION FOR
INFORMAL CONFERENCE

Delta Natural Gas Company, Inc. ("Delta") respectfully submits this Response to the Order of April 27, 1999, herein. While Delta does not dispute the factual recitation of the failure to report the incident in the Order, it believes that it should not be penalized as a result thereof.

Specifically, Delta does not dispute the Investigation Report dated February 10, 1999, appended to the Order as an Appendix. Delta has investigated the incident and it appears that the Delta employee, Bob Wells, who was on call on February 6, 1999, went to a plastic service line cut, found that natural gas had ignited and extinguished the fire and restored service. He failed to report the incident to the Commission within two (2) hours as required by 807 KAR 5:027, Section 3(1)(c) and Delta Division Manager, Mike Robinson, did so on February 8, 1999. The incident occurred on a Saturday and it was reported to the Commission on the following Monday.

Mr. Wells, and all Delta Customer Service Representatives, had been provided training relative to the reporting of natural gas emergencies or accidents to the Commission prior to the incident in question. In addition, on the date of the incident in question, copies of the Commission

guidelines on the reporting of such incidents are posted on the bulletin boards in the work locations of Delta's Customer Service Representatives. Mr. Wells advised his supervisors that he simply did not think to report the incident. While this does not excuse Mr. Wells' failure to comply with the incident reporting regulation, Delta had taken all reasonable means to assure that its employees follow the rules. Since the incident occurred on the weekend, Mr. Wells was pretty much on his own and his supervisor was unable to remind him of his responsibilities.

Delta has taken several steps to mitigate the failure to comply with the incident reporting regulation. Since this incident, verbal and written instructions about compliance with the incident reporting procedures have been communicated to all Delta Customer Service Supervisors by their respective Division Managers. A copy of the e-mail instructions is attached hereto as Exhibit A. Delta's regularly scheduled training of its Customer Service Supervisors, Customer Service Representatives and Customer Representatives about Delta's Emergency Operating Plan, which includes incident reporting procedures, will occur in May and June of 1999. These training sessions had been scheduled since before the incident in question occurred.

Winford Adkins, Delta's Customer Service Supervisor to whom Mr. Wells reports, Mike Robinson, Mr. Wells' Division Manager, and Johnny Caudill, Delta's Vice-President - Administration and Customer Service, have all met with Mr. Wells and reprimanded him for his failure to comply with the regulation. In addition, Delta will not grant Mr. Wells an increase in his salary effective July 1, 1999, which would have otherwise been considered.

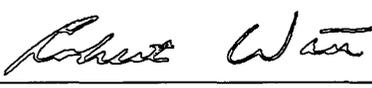
Delta had taken reasonable measures to assure that the incident reporting regulation was followed when the incident occurred. Delta has taken all conceivable steps to assure that the incident

reporting regulation is not violated in the future. It is respectfully submitted that it should not be penalized for the failure to report the February 6 incident as promptly as the regulation requires.

Further, pursuant to the Order of April 27, 1999, Delta respectfully moves the Commission to schedule an informal conference with Commission Staff to consider matters which would aid in the handling or disposition of this proceeding.

Respectfully submitted,

STOLL, KEENON & PARK, LLP

By 
Robert M. Watt, III
201 East Main Street, Suite 1000
Lexington, KY 40507
606-231-3000

Counsel for Delta natural Gas Company, Inc.

Sent: Thursday, April 29, 1999 3:20 PM
To: Arvil Swafford; Bill Gardner; Buddy Boykin; James Martin; Jerry Powers; Kenneth Smith; Kermit Money; Mark Norvell; Paul Adkins; Tim Walker
Cc: Johnny Caudill; Gerald Baker; Mike Robinson; Jim Potter
Subject: Ky. P.S.C. reporting requirements

April 29th 1999

In February an incident occurred that met the Kentucky Public Service Commission reporting requirements. This incident was not reported in a timely manner.

Please review the Public Service Commission reporting procedure document with all of your Customer Service personnel. This procedure and or document can be found posted on your office bulletin board as well as in your Emergency Operating Plan O-13.4.

We would appreciate your assistance with this matter. If you have any questions feel free to contact either of us.

Thanks

Gerald Baker and Mike Robinson



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

April 27, 1999

John F. Hall
Vice President-Finance, Sec., Treas.
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY. 40391

RE: Case No. 99-158

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure
Certified Mail

HW 99-158

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: <div style="font-size: 2em; text-align: center;">John F. Hall</div>	4a. Article Number <div style="font-size: 1.5em; text-align: center;">Z 319 087 457</div> 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name) 	7. Date of Delivery <div style="font-size: 1.5em; text-align: center;">4-28-99</div>
6. Signature: (Addressee or Agent) X <i>Mary Steele</i>	8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Z 319 087 457

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to	John F. Hall
Street & Number	3617 Lexington Rd
Post Office, State, & ZIP Code	Winchester, KY 40391
Postage	\$.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	27
TOTAL Postage & Fees	3.20
Postmark or Date	USPS

PS Form 3800 April 1995

HW 99-158

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)
_____))
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:027, SECTION 3)

CASE NO. 99-158

O R D E R

Delta Natural Gas Company, Inc. ("Delta") is a Kentucky corporation and is a utility, pursuant to KRS 278.010(3)(b). As a natural gas utility, Delta is subject to Commission jurisdiction, pursuant to KRS 278.040 and 278.495.

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. Pursuant to this statutory directive, the Commission promulgated 807 KAR 5:027, Section 3(1)(c), which requires utilities to give notice to the Commission of any incident that results in gas ignition.

Commission Staff has submitted to the Commission an Incident Investigation Report dated February 10, 1999, which alleges:

1. On February 6, 1999, an employee of Delta was notified of a natural gas line rupture and ignition. The Delta employee extinguished the fire and service was restored in one hour.

2. On February 8, 1999, the Commission received notice from Delta that a service line break and natural gas fire had occurred on February 6, 1999.

3. 807 KAR 5:027, Section 3(1)(c), requires that the Commission be notified by the utility at the earliest practicable moment, but no later than two hours following the discovery of gas ignition.

Based on its review of the Incident Investigation Report, and being otherwise sufficiently advised, the Commission finds that *prima facie* evidence exists that Delta failed to comply with Administrative Regulation 807 KAR 5:027, Section 3(1)(c).

The Commission, on its own motion, HEREBY ORDERS that:

1. Delta shall appear before the Commission on May 25, 1999, at 10:30 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violation of Administrative Regulation 807 KAR 5:027, Section 3(1)(c), and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990 and 278.992(1) for this alleged violation.

2. Delta shall submit to the Commission within 15 days of the date of this Order a written response to the allegations contained in the Incident Investigation Report.

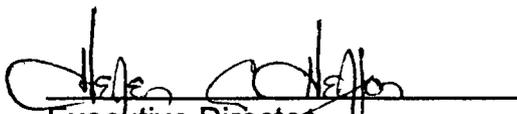
3. The Incident Investigation Report of February 10, 1999, a copy of which is appended hereto, is made a part of the record in this proceeding.

4. Any motion requesting an informal conference with Commission Staff to consider matters which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 27th day of April, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 99-158 DATED APRIL 27, 1999

COMMONWEALTH OF KENTUCKY PUBLIC SERVICE COMMISSION

INCIDENT INVESTIGATION REPORT

DELTA NATURAL GAS COMPANY, INC.
Owingsville, Kentucky

February 10, 1999

BRIEF

On February 6, 1999, an employee of Delta Natural Gas Company, Inc. ("Delta") was notified of a natural gas line that had been cut and had ignited. The on-call employee for that day put the fire out. This incident investigation is conducted in accordance with Public Service Commission ("PSC") policy of inspecting all jurisdictional gas operators. Natural gas operators are jurisdictional to the PSC under KRS 278.040, 278.495 and also through a 5(a) agreement with the United States Department of Transportation, Office of Pipeline Safety, for the enforcement of the Natural Gas Pipeline Safety Act of 1968.

INVESTIGATION

At 2:20 p.m., February 8, 1999, the PSC received a telephonic notice from Mike Robinson, Customer Service, Northern Division Manager for Delta, that a service line break had occurred at 11:12 a.m., February 6, 1999, on Morgan Fork Road, Clearfield, Kentucky. The Delta employee on call went to that location and found that a 1-inch plastic service line had been cut and the natural gas had ignited. He put the fire out and had service restored in an hour.

Commission Regulation, 807 KAR 5:027, Section 3(1)(c), requires this Commission be notified at the earliest practicable moment but no later than two (2)

hours following discovery; each utility shall give notice to the Commission in accordance with subsection (3) of this section of any incident that results in gas ignition.

CONCLUSION

Delta is in violation of existing regulations because it did not notify this Commission at the earliest practicable moment, but no later than two (2) hours after the incident, per 807 KAR 5:027, Section 3(1)(c), as required by Commission Regulations. More than forty hours elapsed before this Commission was notified.

RECOMMENDATIONS

It is recommended that Delta review its notification policy with employees that are required to respond to such instances. Please provide this Commission with results of this notification.

It is further recommended that the Commission initiate a hearing to allow Delta to show cause why it should not be penalized for failure to comply with Commission regulations.

Respectfully submitted,


Larry L. Amburgey
Investigator Supervisor

WHTB

LHA:dcp